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ABSTRACT

If schools are to retain competent career teachers, then they will have to create new salary differentials and new categories for recognizing widely differing teacher abilities. The present standardization of teacher classification, certification, and salary schedules does not acknowledge individual teacher differences. Teachers do not fear unemployment. They feel that, as professionals, they are not being paid competitive wages. A solution is a differentiated salary schedule. Professionals work hard because they want to achieve and also because they enjoy doing what they do. Therefore, the teacher who enjoys teaching the most will also have the opportunity for making the most money. If teachers are different in skills and in training, if there is recognition that they are better teachers, and if there is mobility among the higher-paid teachers--assuming a differentiated staff--then there will be an equilibrium or a standard pattern of wage differential determined by the general supply and demand. In other words, those districts or local education agencies that run differentiated staffing programs will have identified the better teachers and adjusted their salary schedules accordingly. But once those better teachers are recognized by the rest of the educational community, their general pattern of wages will be determined by supply and demand. Since school systems do not slash teachers' salaries but freeze them, the ultimate weapon of the teacher in conjunction with the union is the strike. (JA)

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COMPETITIVE TEACHING WAGES

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School costs are rising faster than the growth of the economy. The overwhelming proportion of public expenditures for schools, over 60 percent, is payment for teachers' services. The aggregate rise in school costs is largely because of the exponential rise in teachers's salaries.

There will be a corresponding slackening of school expenditures as new construction and funds for new teachers salaries ease as student enrollment levels off in the coming decade. It is doubtful whether additional appropriations will raise the schools effectiveness and productivity. If economic trends continue any increase to schools in their current conventional and procedural format will likely not insure significant qualitative benefits.

The key to cost-efficient school expenditures will probably not be technological hardware, the architecture of buildings, or the refinement of curricula innovations. It will likely be the recognition of teacher effectiveness and a corresponding differentiation of teacher pay.

If schools are to retain competent career teachers, then they will have to create new salary differentials and new categories for recognizing widely differing teacher abilities. The present standardization of teacher classification, certification, and salary schedules does not acknowledge individual teacher differences. The uniformity of teacher salaries is an unfair practice to teachers of uncommon ability.

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The committee for Economic Development supports this view:

> "Teacher salaries are commonly based on seniority and the accumulation of college credits. We regard this as a serious block to the recruitment and retention of countless competent teachers and to eliciting the best efforts of teaching staffs. The variety of talent, preparation, and competence required for effective and efficient teaching justifies differentiated pay scales, which in our opinion would overcome this block to improved instruction." 1

The Committee's statement continues by recommending a reconstruction of teacher compensation:

> "We urge school boards, school administrators and professional teachers' associations to undertake a reconstruction of the basis for teacher compensation to bring pay scales more in conformity with the functions, responsibilities and performance of teachers. Such pay scales should also take into account the shortages in certain teaching skills." 2

Wage rates even among teachers differ tremendously. The average wage for teachers is as hard to define as the average teacher. A teacher at the top of the salary schedule in an affluent area may be making above $15,000 a year. Whereas a beginning teacher in rural or disadvantaged area may be making less than $4500. These differentials in wage are based on two considerations - lenghth of time as a teacher and length of time as a teacher in a particular locality.

1. Innovation in Education: New Directions for the American School, Committee for Economic Development, Research and Policy Committee, July, 1968, p. 49.
2. Ibid, p. 80

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The average annual salary for instructional staff members in regular public elementary and secondary schools in 1968-69 was $7,835.* The total cost for this instructional staff of 2,122,000 equaled $16.6 billion. The estimated projected cost for a total national instructional staff of 2,330,000 will be $22.5 billion (in 1967-68 dollar value). The average annual salary of a teacher in 1977 will be $7,677.

1. Equal wage for equal work.

Let us look at a case of wages paid to a particular category of teachers all alike in skill, effort, and every other respect. We are interested in real wages, in what the wage will buy and not in its money amount. We express wages, therefore, in money units whose purchasing power of goods is constant at a particular place and time, for example, in 1972. The law of diminishing returns suggests that when we add more labor to the same natural resources we tend to dimish labor, wages and productivity. Consequently, if we simply add more teachers to the teacher labor market and simply increase their wages to take into account increased costs of consumer goods and the wage of living index, we are satisfying the law of diminishing returns.

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*These and the following statistics are taken from Projections of Educational Statistics to 1977-78, Department of Health, Education and Welfare, Office of Education, U. S.. Government Printing Office, Washington, D. C. , 1968, pp. 84-85.

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There is a counter law to the law of diminishing returns. That law is the law of increasing returns. The law of increasing returns also governs the economies of mass production. As the birth rate continues to decline, the number of teachers needed will be less.

Within the ten year period from 1968-69 to 1977-78, there will be an increase of only 208,000 regular teachers in public elementary and secondary schools. Within an equal time span- the period 1957-58 to 1967-68, 766,000 teachers were needed in public elementary and secondary schools. Through the number of teachers needed is diminishing annually, the problem of teacher turnover, mobility and loss continue to plague the profession. The paradox is that there is less of a total increase of teachers needed, even while there is a need for replacing teachers who abandon teaching.

2.. The Law of Wages.

More teachers will exist in the future than necessary. According to Marx such a situation would be enough to depress wages to the level of a subsistence minimum. On the contrary, however, real wage rates will not fall to a minimum subsistence level. Rather, unemployment will increase. Consequently, we establish an important principle if there is real perfect competition in the teacher-labor market there's no tendency necessary for wages to fall to a minimum subsistence level.

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There is a more related and more urgent reason why teachers as workers fight for higher pay. They do not fear unemployment. Nor as professional people do they fear the amount of work since they do not generate a product. What they do feel is that, as professionals, they are not being paid competitive wages. This suggests again that the law of increasing returns is in effect. The economy of mass production is not keeping constant the wage increase that teachers could make elsewhere given the skills they presently have.

To a particular group of teacher-workers, especially those with special skills and status not now being currently utilized in the schools, the introduction of technological change may pose a threat.

3. Unemployment vs. Leisure.

There two considerations in the increase of competencies and skills among teachers and in the number of teachers that will be needed in the future to maintain the educational enterprise as we now understand it. Those two considerations are unemployment and leisure. In the near future there will be a equiliburium for a constant number of teachers to maintain a constant number of schools. In other words, there will be a fine balance between the amount of graduates coming from our teacher training institutions and the amount of teachers necessary to maintain the schools. However, there will also be an increased amount of leisure time for those teachers currently employed.

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The professional labor market, however, is not the same as the ordinary labor market. It is questionable , then, whether teachers are higher differentiated salary schedules will opt to spend more leisure time at their profession that those not.

Let us consider the case of a teacher who, because of differential competencies, has been offered a higher salary to work in the district and is free to choose the amount of time that he spends at his work. On the one hand, the teacher is tempted to work extra time because by working more time on the job he increases his professional skills. Suppose also that schools will operate twelve months a year with vacations spaced intermittently. The tendency for the higher paid teacher will be to spend more time on the job. Each hour of leisure time becomes for him more expensive. He is tempted to substitute extra work for leisure. In other words, although there may be a conflict between what economists call "substitution-effect" and "income-effect" (the substitution-effect is a worker substituting extra work for leisure, and the "income-effect" is the consumer buying more goods), there is also the problem to a person being driven more by non-monetary ambitions, such as the desire for achievement and the liking of a professional for his work.

In other words, professionals work hard because they want to achieve and also because they enjoy what they do. Therefore, the teacher who enjoys teaching the most will also have the opportunity for making the most money. Therefore, he will be making a larger amount of money than other teachers in a differentiated salary program, chiefly because he will work harder and have more money to work harder at that at which he enjoys most.

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4. Differences in Labor Quality

The salary or labor market will always group teachers into certain classifications for purposes of determining wages. The classifications are progressive steps on the wages or salary ledder. A teachers's classification depends on time spent in teaching. Assuming a program of staff differentiation, there may still remain many categories of labor. Wage rates will have a diversified spread. The competitive wage between what a teacher can make in a large metropolitan area, for example, and what local industries are offiering for technical writers will have a large influence on whether or not career-oriented teachers will remain long in teaching.

A differentiated staffing program will offer, within the teaching profession, competitive wages. Moreover, there may be several differentiated staffing programs within an urban area, any one or all of which can offer challenge to the lure of business or industry in competitive wages at the higher salary ranges.

5. Determination for Competitive Wages

If people were all alike and jobs are all alike, there would be no wage differentials. However, if teachers are all alike and some of their jobs different, there will be a tendency to equalize the differentials in wage. If teachers are different in skills and in training, and if there is recognition that they are better teachers, and if there is mobility among the higher paid teachers, assuming a

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differentiated staff, then there will be an equilibrium or a standard pattern of wage differential determined by the general supply and demand. In other words, those districts or local education agencies that run differentiated staffing programs will have identified the better teachers and adjusted their salary schedules accordinlgly. But once those better teachers are recognized by the rest of the educational community, their general pattern of wages will be determined by supply and demand.

The teaching profession has simply never recognized the tremendous qualitative differentials among its teaching members. As a result, teachers, in the phrase of the economists, are noncompeting groups in the labor market. They do not compete with each other within the system. The competition for their services is outside the school in the commercial world. If the wages of a plumber were to become $50,000 a year, teachers might quit and learn the art of plumbing. If some did not, plenty would. In a large metropolitan area the collective bargaining procedures for determining the teacher salary schedule will be subject to (whether or not it is in active consideration) what nearby industries are paying for trained mathematicians, liberal artists and social scientists.

6. Collective Bargaining and Market Imperfections

School systems do not slash their teachers' salaries. They freeze them. Teachers who have high recommendations and are not especially

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attached to a particular district will soon move to where expectations for high pay will be realized. For the system that does not systematically review its salary schedule, recruitment of new teachers with even the same quality will get harder and harder, and there likely will be a slackening off in performance of those teachers who remain.

The ultimate weapon of the teacher in conjunction with the union is the strike. In every other strike between labor and management, the worker makes the sacrifice of loss of pay in order to achieve higher benefits in the long run. The teacher strike does not conform to that model. The state law requires that children attend school a fixed number of days a year. The teacher withholds his services, but he really does not lose either time in employment or salary, since schools will remain open by law a fixed number of days. He will recover, in other words, days lost on a strike and in addition receive the benefits and rewards of the strike. He takes little risk by striking.

From the teacher's vantage, however, the options are protecting himself and his family from rising prices. He is protecting the investment he made in his education to become a teacher and is attempting to protect himself as a member of a profession that has not addressed itself to differentiating its teaching responsibilities. The teachers' strike is a predictable response given the state of the inflationary economy and the inability of schools to make the profession competitive with other professions and within itself.

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Some innovative school systems, however, have attempted to confront the problem of differential pay for differential service and have shown signs of responsiveness to the individualization of teacher performance. Some of these schools and systems have been described elsewhere in these pages. The success or failure of their refinement and reform of differentiating teachers' salaries and of offering a new measure of quality pay for quality teaching will likely depend on the willingness of administrators and schools to change present practices. Precedents to similar domestic concern dealing with personnel practies, employee relations and salary adjustments indicate that these problems are soluble.